EXHIBIT C

Transcript of John Fendrick (Expert)
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1   A   Oh, yeah, totally at Sensei, yes.

2   Q   Okay.

3   A   In there, basically, I had access to

4   the two files, a flat file, so XLS and CSV file at

5   Sensei. And I had access to the loaded

6   IntangibleSpring data in SQL Server. And then I

7   then took the -- since he hadn't done it, I then

8   took the RoyaltyStat data and loaded that in.

9   Q   Okay.

10   A   And I assume that's what your expert

11   used, I don't know, or if he did it himself.

12   But as of -- you know, I don't believe

13   there was another -- other than what I loaded in,

14   I don't know where this -- he may have had to load

15   it in because he probably wouldn't have access to

16   the data I had.

17   Q   Now, your report says that you did --

18   first did a preliminary match of

19   licensee/licensor, royalty rate between the

20   IntangibleSpring and the RoyaltyStat database.

21   A   Yes.

22   Q   How did you do this?

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1   A   Using SQL.

2   Q   Walk me through the steps to do this.

3   A   Okay. So, basically -- how -- should I

4   assume you know anything, or you're totally

5   non-technical? I'm sorry.

6   Q   I know a little bit about SQL. But for

7   the purposes of the deposition transcript, and for

8   the purposes of the judge, who has no time to

9   learn SQL, let's try to be as parochial as we can.

10   A   So explain everything?

11   Q   Please.

12   A   Okay. So you had Table A and Table B.

13   So each one had several columns.

14   Q   And, I'm sorry to interrupt you. But

15   when you say "Table A and Table B" --

16   A   I'm sorry. Table A, we'll just say,

17   will have the IntangibleSpring database and the

18   RoyaltyStat database. And they are two tables

19   loaded up. And what I want to do is I basically

20   want to say where -- and we'll just -- we'll use

21   RS and IS. How about that? So.

22   RS has a field called licensor. IS has

1   a field called licensor. RS has a field called

2   licensee. So does IS. And they both have -- one

3   was called, I think -- I'd have to look -- but it

4   was either royalty or royalty rate. The other

5   one, I think, is called royalty rate high.

6   So you basically can write a query that

7   match the two together. And you basically say

8   that -- okay, let me back up again.

9   Each table has a field. It's called

10   "primary key," it's an identifier, unique

11   identifier. And in RoyaltyStat's case, it's

12   called auto ID, and IntangibleSpring's case it's

13   called ID. To that -- with that number, you can

14   go in and pull out any records you want on both

15   sides.

16   So what I did is I wrote a query that

17   would give me -- basically it would say RS,

18   RS.licensor equals IS.licensor and RS.licensee

19   equals RS.licensee, and royalty rate equals -- the

20   two royalty rates equal. So when you put these

21   two equal, you then get all the results coming

22   back.

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1   I preliminarily did this and I got

2   back -- I'm going to guess -- I don't know, 2- or

3   3,000 results.

4   I then looked at it -- okay, let me

5   back up. There were about 10,000-plus records in

6   RoyaltyStat, and I believe there's around 17 --

7   15-, 17,000 in IntangibleSpring. I don't have the

8   exact numbers, but it's approximately that.

9   Q   I understand.

10   A   And I looked at this and I wasn't very

11   happy. I was, like, well why is what I consider

12   the error rate so high?

13   Q   I'm sorry. When you say "error

14   rate" --

15   A   The error rate numbers. Because if I

16   only matched, say, 2- or 3,000 of 10,000. Now, of

17   the 17,000 in IntangibleSpring, I'm only trying to

18   match the ones in RoyaltyStat.

19   So I'm only -- I don't care what's in

20   IntangibleSpring outside of the match for

21   RoyaltyStat. So, essentially, I'm just saying,

22   okay -- and I'm going to use the number 10,000.

1 It was, like 10,500 or something. But out of the

2 10,000 records, if I could match, say, 2- or 3,000

3 of them initially, why can't I match the rest?

4   So, essentially, I started looking to

5 see where the other ones didn't match.

6   So the first thing I looked at, you

7 know, basically, I was just looking across, and I

8 realized that -- so in some cases you have a

9 license -- you know, I'll use the field licensor.

10 You might say the licensor is Walmart. In another

11 case you might say it's Walmart and John Smith.

12   So in RoyaltyStat's case, whenever they

13 have a person, they had -- they would put John

14 Smith, an individual. In IntangibleSpring's case

15 you just -- and so it might say, like, Walmart,

16 either comma or semicolon. Walmart, John Smith.

17 This other one might be Walmart, John Smith. Now,

18 whether it's comma or semicolon, there are

19 differences between database. But essentially,

20 let's assume they're all the same.

21   So I had to remove the "an individual"

22 part. So I then changed my query, and then got

1   the error rate to go up higher.

2   I then -- well, before that, I actually

3   had to deal with one actually has commas in

4   between and I think one has semicolons. I had to

5   deal with that.

6   I think I did this one or two times. I

7   eventually got up to in the 5- to 6,000-match

8   range.

9   I then looked at that and said, okay,

10 if I'm getting 50 to 60 percent data, that's

11 acceptable.

12   My belief is if I kept looking, I could

13 get better. And so --

14   Q   I don't mean to interject.

15   A   Okay.

16   Q   I just want to interrupt you just for a

17 second, just so I understand.

18   When you were performing this analysis,

19 you were looking for the similarities between

20 licensee/licensor royalty rate.

21   A   Uh-huh.

22   Q   Why were you -- what was the premise or

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1    the hypothesis in looking at those first?

2         A    So when I started with this, I actually

3    hadn't realized that there was this key in

4    IntangibleSpring, that if I looked at the document

5    number, I would actually find, and could use that

6    as I could.

7              So I looked at the fields that were

8    provided.  The ID -- the auto ID on one side

9    doesn't match the ID on the other side.

10        Q    Sure.

11        A    So I started looking at fields and

12   thinking, okay, well, what's going to be unique?

13             Based upon my prior knowledge, you

14   know, I knew that, you know, basically, each

15   license agreement is coming from a licensor, and

16   it's going to somebody else, the licensee.

17             And so if you put these together, you

18   get the royalty rate.  You may have some that will

19   make it some duplicates.  Where there are cases

20   where, you know, Company A licenses Company B.

21   Multiple different things with the exact same

22   rate.  It's -- they're in there.  I mean, I'm
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1   not -- there will be some. There is some error in

2   there.

3   But I believe it's statistically pretty

4   insignificant based on what I realize -- what I

5   found.

6   So pretty much, because I'd gone

7   through -- if the -- like, RoyaltyStat, I believe,

8   has a field called "Exhibit Number," like 10. --

9   you know, 10.4 or something. But IntangibleSpring

10   didn't. So -- because if I had had that,

11   actually, I could have gone back.

12   There was no -- I looked at, you know,

13   basically, IntangibleSpring didn't put -- you

14   know, didn't put more of the source information

15   that RoyaltyStat had.

16   So I basically was looking to figure

17   out which fields I could use, and I came up with

18   those three.

19   As I said, I mean, later, I did review

20   the -- your expert witness testimony. I read his

21   report. Like, it was a relatively quick review.

22   And as he was writing it, it suddenly

1   hit me, because he mentioned something about how

2   he had looked at the agreement number in there.

3   Because I did use the agreement number later for

4   another purpose. But I suddenly realized if I had

5   actually used that agreement number, I actually

6   probably could have -- I probably could have done

7   around 90 percent relatively easily, because the

8   way -- I'm sure we'll get into this in a moment --

9   but the agreement number is in the order of the

10   keys from Royalty. So I could have written a

11   program to go and just walk my way down the two

12   groups in the order of the auto ID from

13   RoyaltyStat and the order of the documents, and I

14   could have matched. I just have to deal with

15   skips.

16   But at that point, maybe even 95,

17   99 percent. Relatively easy if I had done that.

18   But that's not what I chose to do because I

19   actually didn't realize that was there at first.

20   So at first I was working on just

21   matching the data with what I saw.

22   Q   Okay. So you got this result of 5- to

1   6,000 matches.

2   A   Uh-huh.

3   Q   And you took this -- it's my

4   understanding of your testimony, that you took

5   this 5- to 6,000 match as a representative sample

6   of the IntangibleSpring database as a whole; is

7   that correct?

8   A   Yes.

9   Q   What did you do next to analyze these

10   matches that you had identified?

11   A   So I then -- I looked at certain

12   fields. Like I said, I worked my way across and I

13   looked at some of the fields. So I looked at,

14   like -- well, first I started looking at, like,

15   territory -- what I will call -- so when you have

16   a database, you typically have, essentially, what

17   I would call reference tables. So, for example,

18   like, territory or country.

19   So these are -- typically, you're

20   pulling from a drop-down list and someone would

21   say, you know, "This agreement is related to nine

22   states," or "This agreement is related to

1   something."

2   So, typically, there's a drop-down

3   where there's something you're picking from a

4   list.

5   So I was looking for -- I was going

6   through these other fields to see if they were

7   similar or not. Now, clearly, a country list is a

8   country list. There's nothing, you know, to say.

9   There's not. You know, and, essentially, I was

10   trying to see how close they were. What I found

11   is most of them, they are either things like

12   country, where I felt that even if they were the

13   same, they are -- there's no difference on them,

14   or they -- IntangibleSpring had added additional

15   things in.

16   So, for example, exclusivity in the

17   RoyaltyStat case is, I believe, yes, there were

18   unknown. And in the IntangibleSpring case it's

19   exclusive, nonexclusive, unknown, and then they've

20   got, like, eight or ten other things.

21   Now, I don't know how many of those. I

22   didn't actually go through and do a frequency

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 1    count.  But essentially I determined, looking at

 2    those, there wasn't enough variation in them --

 3    or, I'm sorry -- there wasn't another commonality

 4    in them to be able to point out that this was

 5    significantly -- that they were significantly the

 6    same that was different than what I felt would

 7    just happen.  So essentially I was sort of working

 8    my way through.

 9              You know, I did look and sort of -- but

10    I knew that one of the main things I wanted to be

11    looking at, eventually, was the description field.

12    So eventually I got over to the description field.

13         Q    And I want to stop you there because

14    there's some stuff that I want to ask you.  We'll

15    get to the description field in a bit.  But

16    there's some things I want to ask you about your

17    conclusions.

18              In your report you conclude that

19    approximately 50 to 60 percent of the data

20    provided by RoyaltyStat had been matched with

21    IntangibleSpring's database.

22         A    Uh-huh.
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